
Prescription Drug Benefits

Notification of Changes to Your Medicare-Coordinating Plans Member Handbook's Insert
Effective January 1, 2008

*Commonwealth of Virginia Retiree Health Benefits Program
Department of Human Resource Management*

On the above effective date the following changes become part of your Prescription Drug Benefits insert. This Notification supersedes the January 1, 2007 Changes to Your Handbook's Prescription Drug Benefits Insert. Keep this Notification with your Member Handbook and Insert. You also may access these documents from the following Web sites:

- Department of Human Resource Management at www.dhrm.virginia.gov/compandbenefits.html.
- Anthem Blue Cross and Blue Shield at www.anthem.com/cova.

1. Under IMPORTANT NOTICE, the first paragraph includes the following revision:

The Plan is called Medco Medicare Prescription Plan for the Commonwealth of Virginia Retiree Health Benefits Program. Any new member materials will reflect this plan name.

Page 1 – IMPORTANT NOTICE

2. Under Using Your Prescription Drug Benefits, the first paragraph is replaced as follows:

You must use a Network Pharmacy to receive benefits under this plan. Except in certain limited circumstances, failure to use a Network Pharmacy will result in denial of benefits. See Your Evidence of Coverage, provided by Medco, for more information. To identify a Network Pharmacy, contact Medco Customer Service at 800-572-4098, go to www.medco.com or consult Your regional pharmacy directory. The pharmacy network can change at any time, so be sure to confirm participation before filling any prescription.

Page 2 - Using Your Prescription Drug Benefits

3. Under Customer Service, the address is changed as follows:

Medco Medicare Prescription Plan
Medco Health Solutions, Inc.
P.O. Box 630246
Irving, TX 75063-0115

Page 3 – Customer Service

4. Under General Rules Governing Benefits, the following changes apply to all paragraphs:

Any specific section references to the Evidence of Coverage, provided by Medco, should be removed. Please see your current Evidence of Coverage Table of Contents to identify specific sections.

Under General Rules Governing Benefits, the section entitled When Benefits End is replaced as follows:

When Benefits End

You may terminate the benefits described in this insert prospectively by submitting an enrollment form to Your Benefits Administrator indicating Your request to terminate coverage. There are some situations that would require Your disenrollment from this coverage. Generally, Your enrollment in another Medicare Part D plan would result in disenrollment from the Commonwealth of Virginia Retiree Health Benefits Program's Medicare Part D coverage that is described in this insert. Please refer to your Evidence of Coverage, provided by Medco, for more information about disenrollment from a Medicare Prescription Drug Plan.

Page 4 – General Rules Governing Benefits

5. The Section entitled Prescription Drug Benefits is replaced as follows:

Following are the provisions of this Medicare prescription drug plan. Consult Your Evidence of Coverage and Summary of Benefits (provided by Medco) for additional information.

Formulary - Generally, only drugs included on the plan's Formulary will be covered. (However, participants may apply for Formulary exceptions by requesting a Coverage Determination-see Your Evidence of Coverage for complete information).

To determine whether a drug is included on the plan's Formulary and, if so, in which tier it is included (see below), contact Medco Customer Service or go to the Medco Web site at www.medco.com. You may also refer to the partial formulary provided to all members. Some of the drugs covered under this plan have coverage limits. This could include limiting the amount of medication within a period of time and/or requiring your doctor's approval.

Generally, if you are taking a drug that is included on the formulary at the beginning of the year, Medco will not discontinue or reduce coverage of the drug during that year except when a new, less-expensive generic drug becomes available or when new adverse information about the safety or effectiveness of a drug is released. Other formulary changes, such as adding a utilization management rule, will not affect members who are currently taking the drug. It will remain available at the same cost-sharing amount for the remainder of the year for those members. If any drugs are removed from the formulary or if prior authorization requirements, quantity limits and/or step therapy restrictions are added, or if a drug is moved to a higher cost-sharing tier, affected participants will be notified at least 60 days before the

change takes effect, and this will include information regarding any extension of unreduced benefits. The Centers for Medicare and Medicaid Services must approve all coverage rule additions and tier changes not due to generic drug introductions, and members taking the drug are exempt from the change for the rest of the plan year. Please refer to your Formulary, Summary of Benefits and Evidence of Coverage, provided by Medco, for additional information.

The formulary will exclude drugs that are excluded for Medicare Part D coverage as determined by Medicare.

Tier - Drugs included on the Formulary are placed in tiers. The copayment or coinsurance amount that you pay for any Covered Drug depends on its tier. The charts included below describe the type of drug in each tier and what You pay for any drug that You receive in that tier (until you reach the catastrophic coverage level).

Deductible - A \$275 plan year (January 1-December 31) deductible will apply to all Covered Drugs except Generics. There will be no deductible for covered Generics. This means that participants must pay the first \$275 of actual drug cost for covered Brand Name Drugs. Once the deductible has been met, the applicable copayment or coinsurance will apply.

Copayments

Drug Tier	Type of Drug/Method of Purchase	Your Copayment Amount
Tier 1	Per up to a 34-day supply of a covered generic drug at a participating retail pharmacy (up to a 90-day supply)	\$5.00
Tier 1	Up to a 90-day supply of a covered generic drug purchased through the mail service program	\$5.00
Tier 2	Per up to a 34-day supply of a covered preferred brand at a participating retail pharmacy (up to a 90-day supply)	\$20.00 (after deductible)
Tier 2	Up to a 90-day supply of a covered preferred brand purchased through the mail service program	\$40.00 (after deductible)

Coinsurance

Drug Tier	Type of Drug/Method of Purchase	Your Copayment Amount
Tier 3	Per up to a 34-day supply of a covered non-preferred brand at a participating retail pharmacy (up to a 90-day supply)	75% of the cost of the drug (after deductible)
Tier 3	Up to a 90-day supply of a covered non-preferred brand purchased through the mail service program	75% of the cost of the drug (after deductible)

Tier 4	Non-covered drugs	No coverage - You pay 100% of the cost of the drug
Tier 5	Per up to a 34-day supply of a covered specialty drug at a participating retail pharmacy	25% of the cost of the drug (after deductible)
Tier 5	Up to a 90-day supply of a covered specialty drug purchased through the mail service program	25% of the cost of the drug (after deductible)

Catastrophic Coverage - After your annual true out-of-pocket drug expense (including your deductible, copayments and coinsurance for Covered Drugs but not including the cost of non-covered or excluded drugs) reaches \$4,050, You will pay either a \$2.25 (generic) or \$5.60 (other drugs) copayment or 5% coinsurance, whichever is greater. For any month during which you use your coverage, you will receive a monthly Explanation of Benefits directly from Medco which will track your covered drug costs.

Medication Therapy Management Programs - These programs are offered at no additional cost for members who have multiple medical conditions, are taking many prescription drugs, or who have high drug costs. These programs help in providing better coverage for participants. They help the plan to ensure that participants are using appropriate drugs to treat their medical conditions and help identify possible medication errors. If You are identified as meeting specific criteria for these programs, You may be contacted. While You are not required to participate, You are encouraged to do so. There is no cost for these programs.

Explanation of Benefits - You will receive a monthly statement of what You have spent on Your prescription drugs and the total amount that the plan has paid for any month during which you use your coverage.

Pages 5-6 - Prescription Drug Benefits

6. Under Non-Payment of Monthly Charges, the paragraph is replaced as follows:

For the coverage described in this insert, Your premium is due on the first of the coverage month, and You will have a 30-day grace period. See Your Evidence of Coverage, provided by Medco, for more information about paying premiums under a Medicare Prescription Drug Plan. Your current Evidence of Coverage Table of Contents will direct you to the appropriate section.

Page 7 – Basic Plan Provisions: Non-Payment of Monthly Charges

7. Under the Eligibility section, the service area will be changed as follows:

The service area for this plan includes all 50 states, Washington, D.C., and Puerto Rico.

Page 8 – Eligibility

